Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

Message Text

CONFIDENTIAL

PAGE 01 VIENTI 06671 291226Z

53
ACTION EA-09

INFO OCT-01 ISO-00 SS-15 SP-02 L-03 H-02 NSC-05 AID-05

IGA-02 EB-07 OMB-01 TRSE-00 CIAE-00 INR-07 NSAE-00

FS-01 DODE-00 /060 W
---------- 049429
R 291110Z DEC 75
FM AMEMBASSY VIENTIANE
TO SECSTATE WASHDC 5851
INFO AMEMBASSY BANGKOK

C O N F I D E N T I A L VIENTIANE 6671

DEPT ALSO PASS TREASURY AND AID
E.O. 11652: GDS
TAGS: PFOR, EAID, EFIN, LA, US
SUBJECT: UNSATISFACTORY FOREIGN MINISTRY REPLY ON U.S.D.O.
ACCOUNT AT NATIONAL BANK OF LAOS

REF: STATE 272348

1. IN ACCORDANCE WITH REFTEL, EMBASSY PREPARED A NOTE (NUMBER 655, DATED NOVEMBER 25) TO MINISTRY OF FOREIGN AFFAIRS OUTLINING USDO SYSTEM OF OPERATIONS, CO-MINGLING OF USAID TRUST FUNDS IN USDO ACCOUNT AT NATIONAL BANK OF LAOS, STATE/TREASURY INSTRUCTION TO EMBASSY NOT RPT NOT TO OPEN NEW ACCOUNT, ETC. OUT NOTE ALSO MENTIONED EMBASSY'S OTHER ACCOUNTS AT BANQUE DE L'INDOCHINE AND BANQUE LAO VIENG. (WE CONSIDERED MATTER TOO COMPLICATED FOR ANY INTERLOCUTOR AT MFA TO GRASP MERELY FROM ORAL PRESENTATION, AND CURRENT MFA PRACTICE REQUIRES A NOTE ON VIRTUALLY ANY SUBJECT IN ANY EVENT.)

2. ON DECEMBER 29 WE RECEIVED A REPLY FROM MFA DATED DECEMBER 25. NOTE IS NUMBER 26/AE.AP, INDICATING THAT IT WAS PREPARED I THE DIRECTION OF POLITICAL AFFAIRS WITHIN MFA. TEXT FOLLOWS:

CONFIDENTIAL

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PAGE 02 VIENTI 06671 291226Z

" THE MINISTRY OF FOREIGN AFFAIRS OF THE PDRL PRESENTS

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

ITS COMPLIMENTS TO THE EMBASSY OF THE UNITED STATES OF AMERICAN TO LAOS AND REFERING TO THE EMBASSY'S NOTE NO. 655 OF NOVEMBER 25, 1975 HAS THE HONOR TO INFORM IT OF THE FOLLOWING.

"THE MONEY DEPOSITED IN THE NATIONAL BANK OF LAOS BELONGED TO USAID AND WAS MANAGED UNTIL THE SISSOLUTION OF USAID BY AN OFFICIAL WHO DID NOT BELONG TO THE AMERICAN EMBASSY AND WORKED AT USAID AT NH HAI DIAO. BECAUSE, CONTRARY TO THE DIPLOMATIC USAGES IN FORCE THE AMERICAN EMBASSY DOES NOT POSSESS AN ACCOUNT OPENED IN ITS NAME AND MANAGED BY A DIPLOMAT OF THE EMBASSY(SIC). IN ADDITION THE MINISTRY REGRETS NOT BEING ABLE TO ACCORD IT ITS PROTECTION. HENCEFORTH, IN ORDER TO ASSIST THE SPENDING OPERATIONS OF THE EMBASSY IT IS PREFERABLE AND URGENT THAT THE EMBASSY OPEN A NEW BANK ACCOUNT IN THE NAME OF THE EMBASSY OF THE UNITED STATES OF AMERICA AT THE NATIONAL BANK OF LAOS, INCONFORMITY WITH THE EMBASSY'S NOTE NO. 652." (COMPLIMENTARY CLOSE). END TEXT.

3. COMMENT: THE LAO NOTE IS OF COURSE TOTALLY UNSATISFACTORY. THE FIRST TWO SENTENCES OF THE SECOND PARAGRAPH, IN PARTICULAR, REFLECT SO MUCH IGNORANCE AND DELIBERATE DISTORTION THAT I HAVE OBTAINED AN APPOINTMENT WITH DIRECTOR OF POLITICAL AFFAIRS CHANSAMONE VONGSAPHAY MORNING OF DECEMBER 30 TO REVIEW THE MATTER. (I TOLD HIM I WANTED TO BE ABSOLUTELY CERTAIN THAT I UNDERSTOOD THE MINISTRY'S POSITION BEFORE CONVEYING THE NOTE TO WASHINGTON.) OUR NOTE NUMBER 652, CITED LATER IN THE SAME PARAGRAPH OF THE LAO NOTE, MERELY TRANSMITTED COPIES OF CORRESPONDENCE BETWEEN ELECTRICITE DU LAOS AND EMBASSY CONCERNING EDL'S INABILITY TO CASH CHECKS DRAWN AGAINST OUR "FROZEN" ACCOUNTS. LAO NOTE IS SILENT ON SUBJECT OF OUR ACCOUNTS AT OTHER BANKS.

4. AFTER I HAVE SEEN CHANSAMONE WE WILL SUBMIT TEXT OF PROPOSED REPLY AND SUGGESTIONS FOR ANY FURTHER ACTIONS WE AND DEPARTMENT MIGHT TAKE.
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Draft Date: 29 DEC 1975
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Disposition Authority: RowellE0
Disposition Case Number: n/a
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Disposition Reason:
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Margaret P. Grafeld
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EO Systematic Review
06 JUL 2006

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